

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>		GRANT NUMBER (FAIN): 00901315	DATE OF AWARD
			MODIFICATION NUMBER: 0	09/08/2014
			PROGRAM CODE: A	MAILING DATE
			TYPE OF ACTION New	09/15/2014
		PAYMENT METHOD: ACH	ACH# 90245	
RECIPIENT TYPE: State		Send Payment Request to: Las Vegas Finance Center email: <a href="mailto:lvc-grants@epa.gov">lvc-grants@epa.gov</a> or Fax (702) 798-2423		
RECIPIENT:		PAYEE:		
Air Resources Board 1001 I Street PO Box 2815 Sacramento, CA 95812 EIN: 68-0288069		Air Resources Board 1001 I Street PO Box 2815 Sacramento, CA 95812		
PROJECT MANAGER		EPA PROJECT OFFICER	EPA GRANT SPECIALIST	
Brandy Hunt 1001 I Street PO Box 2815 Sacramento, CA 95812 E-Mail: <a href="mailto:brandy.hunt@arb.ca.gov">brandy.hunt@arb.ca.gov</a> Phone: 916-445-4845		Gary Lance 75 Hawthorne Street, AIR-8 San Francisco, CA 94105 E-Mail: <a href="mailto:Lance.Gary@epa.gov">Lance.Gary@epa.gov</a> Phone: 415-972-3992	Alba Espitia Grants Management Office, MTS-7 E-Mail: <a href="mailto:Espitia.Alba@epa.gov">Espitia.Alba@epa.gov</a> Phone: 415-972-3667	
<b>PROJECT TITLE AND DESCRIPTION</b> FY15 - AIR POLLUTION CONTROL PROGRAM The purpose of this program is to provide continuing support for strategic planning and evaluation, compliance assistance, developing state implementation plans, monitoring air and emissions, rule making, operating permits and all other program related activities. This award includes funding for approved Mexican Border activities. In addition, funding for a conservation tillage project which promotes methods to reduce particulate matter emissions is included. This award will also fund the purchase of National Air Toxics Trends Monitoring Network (NATTS) performance samples. This program will protect and improve the air quality in the state of California and reduce the risks to human health and the environment. This assistance agreement provides partial federal funding in the amount of \$1,483,187; \$3,000 of this amount is for an EPA In-Kind contract for the purchase of quality assurance audit kits.				
BUDGET PERIOD 10/01/2014 - 09/30/2015	PROJECT PERIOD 10/01/2014 - 09/30/2015	TOTAL BUDGET PERIOD COST \$28,645,562.00	TOTAL PROJECT PERIOD COST \$28,645,562.00	
<b>NOTICE OF AWARD</b>  Based on your Application dated 07/18/2014 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$1,480,187. EPA agrees to cost-share % of all approved budget period costs incurred, up to and not exceeding total federal funding of \$1,483,187. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.				
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS		ORGANIZATION / ADDRESS		
U.S. EPA, Region 9 Grants Management Office, MTS-7 75 Hawthorne Street San Francisco, CA 94105		U.S. EPA, Region 9 Air Division, AIR-1 75 Hawthorne Street San Francisco, CA 94105		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY				
Digital signature applied by EPA Award Official Susan Chiu - Acting Grants Management Officer				DATE 09/08/2014

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FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 1,480,187	\$ 1,480,187
EPA In-Kind Amount	\$	\$ 3,000	\$ 3,000
Unexpended Prior Year Balance	\$	\$	\$ 0
Other Federal Funds	\$	\$	\$ 0
Recipient Contribution	\$	\$ 20,515,500	\$ 20,515,500
State Contribution	\$	\$	\$ 0
Local Contribution	\$	\$	\$ 0
Other Contribution	\$	\$	\$ 0
Allowable Project Cost	\$ 0	\$ 21,998,687	\$ 21,998,687

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.001 - Air Pollution Control Program Support	Clean Air Act: Sec. 105	40 CFR PTS 31 & 35 SUBPT A

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	1409M4S101	14	E1	09M2	102A04	4112	-	-	1,480,187
									1,480,187

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$17,100,371
2. Fringe Benefits	\$7,611,375
3. Travel	\$311,990
4. Equipment	\$0
5. Supplies	\$359,921
6. Contractual	\$873,187
7. Construction	\$0
8. Other	\$2,031,883
9. Total Direct Charges	\$28,288,727
10. Indirect Costs: 39.46% Base \$904,296	\$356,835
11. Total (Share: Recipient % Federal %.)	\$28,645,562
12. Total Approved Assistance Amount	\$1,483,187
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$1,483,187
15. Total EPA Amount Awarded To Date	\$1,483,187

Detailed Table B Budget Page: 1

Table B - Program Element Classification (Non-construction)	Total Approved Allowable Budget Period Cost
1.	\$
2. Indirect costs authorized in this assistance agreement are budgeted at a rate less than the maximum rate authorized in the Negotiated Indirect Cost Agreement.	\$
3.	\$
4.	\$
5. There are no non-federal non-recurrent expenditures identified in the budget.	\$
6.	\$
7.	\$
8. The cumulative amount of \$3,000 for EPA InKind services is reflected under the "Other" object class category of Table A.	\$
9.	\$
10.	\$
11. Total (Share: Recip % Fed %)	\$
12. Total Approved Assistance Amount	\$

## **Administrative Conditions**

The recipient agrees to comply with the current EPA general terms and conditions available at: [http://www.epa.gov/ogd/general t c.pdf](http://www.epa.gov/ogd/general%20t%20c.pdf). These terms and conditions are in addition to the assurances and certifications made as part of the award and the terms, conditions or restrictions cited below. The EPA repository for the general terms and conditions by year can be found at: <http://www.epa.gov/ogd/tc.htm>.

### **A. Annual Federal Financial Report (FFR) - SF 425**

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **September 30** of each calendar year to the U.S. EPA Las Vegas Finance Center (LVFC). The FFR will be submitted electronically to [lvfc-grants@epa.gov](mailto:lvfc-grants@epa.gov) no later than **December 30** of the same calendar year. The form with instructions can be found on LVFC's website at <http://www2.epa.gov/financial/forms>.

The recipient shall identify non-federal, non-recurrent expenditures in Block 12 (Remarks) of the FFR or include the information as an attachment to the FFR on a separate page. The recipient also agrees to include a statement certifying that supplanting did not occur.

### **B. Procurement**

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with EPA regulations under 40 CFR Part 30.43, 31.36 or 35.6555, as applicable. In accordance with 40 CFR Part 30.45, 31.36(f) or 35.6585, as applicable, the grantee and subgrantee(s) must perform a cost or price analysis in connection with every procurement action, including contract modifications.

### **C. Six Good Faith Efforts 40 CFR Part 33, Subpart C**

Pursuant to 40 CFR Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- (e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.
- (f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

### **D. Utilization of Disadvantaged Business Enterprises**

**General Compliance, 40 CFR Part 33**

The recipient agrees to comply with the requirements of EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR Part 33.

**Fair Share Objectives, 40 CFR Part 33, Subpart D**

A recipient must negotiate with the appropriate EPA award official, or his/her designee, fair share objectives for MBE and WBE participation in procurement under the financial assistance agreements.

In accordance with 40 CFR Section 33.411 some recipients may be exempt from the fair share objective requirements as described in 40 CFR Part 33, Subpart D. Recipients should work with their DBE coordinator if they think their organization may qualify for an exemption.

The dollar amount of this assistance agreement, or the total dollar amount of all of the recipient's financial assistance agreements in the current federal fiscal year from EPA is \$250,000 or more. The recipient accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the California State Water Resources Control Board (CSWRCB), as follows:

	MBE	WBE
Construction	2%	1%
Equipment	1%	1%
Services	1%	1%
Supplies	1%	1%

The recipient accepts the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as CSWRCB.

**Negotiating Fair Share Objectives/Goals, Section 33.404**

The recipient has the option to negotiate its own MBE/WBE fair share objectives/goals. If the recipient wishes to negotiate its own MBE/WBE fair share objectives/goals, the recipient agrees to submit proposed MBE/WBE objectives/goals based on an availability analysis, or disparity study, of qualified MBEs and WBEs in their relevant geographic buying market for construction, services, supplies and equipment.

The submission of proposed fair share goals with the supporting analysis or disparity study means that the recipient is **not** accepting the fair share objectives/goals of another recipient. The recipient agrees to submit proposed fair share objectives/goals, together with the supporting availability analysis or disparity study, to the Regional MBE/WBE Coordinator, Joe Ochab at [Ochab.Joe@epa.gov](mailto:Ochab.Joe@epa.gov), within 120 days of its acceptance of the financial assistance award. EPA will respond to the proposed fair share objective/goals within 30 days of receiving the submission. If proposed fair share objective/goals are not received within the 120 day time frame, the recipient may not expend its EPA funds for procurements until the proposed fair share objective/goals are submitted.

**Contract Administration Provisions, 40 CFR Section 33.302**

The recipient agrees to comply with the contract administration provisions of 40 CFR Section 33.302.

**Bidders List, 40 CFR Section 33.501(b) and (c)**

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR Section 33.501 (b) and (c) for specific requirements and exemptions.

**E. MBE/WBE Utilization Report**

MBE/WBE reporting is limited to annual reports and **only required** for assistance agreements where one or more of the following conditions are met:

- (a) there are any funds budgeted in the contractual, equipment or construction lines of the award; or
- (b) \$3,000 or more is included for supplies; or
- (c) there are funds budgeted for subawards or loans in which the expected budget(s) meet the conditions as described in items (a) and (b).

If this award meets one or more of the conditions as described above, the recipient agrees to complete a

"MBE/WBE Utilization under Federal Grants, Cooperative Agreements and Interagency Agreements" report (EPA Form 5700-52A) on an annual basis and submit it electronically to [grantsregion9@epa.gov](mailto:grantsregion9@epa.gov). When completing the annual report, recipients are instructed to check the box titled "annual" in Section 1B of the form. For the final report, recipients are instructed to check the box indicated for the "last report" of the project in Section 1B of the form. The current EPA Form 5700-52A can be found at the EPA Office of Small Business Program's Home Page at [http://www.epa.gov/osbp/dbe\\_reporting.htm](http://www.epa.gov/osbp/dbe_reporting.htm).

The annual report is due by October 30<sup>th</sup> of each year. The final report is due within 90 days after the end of the project period or by October 30<sup>th</sup>, whichever comes first.

This provision represents an approved deviation from the MBE/WBE reporting requirements as described in 40 CFR Part 33, Section 33.502; however, the other requirements outlined in 40 CFR Part 33 remain in effect, including the Fair Share Objectives negotiation as described in 40 CFR Part 33 Subpart D.

#### **F. Indirect Costs**

If the recipient does not have a previously established indirect cost rate, it agrees that it will prepare its indirect cost rate in accordance with the Cost Principles under OMB Circular A-87. For proposal preparation, the recipient may use the appropriate completeness checklist located at: <http://www.aqd.nbc.gov/services/LCS.aspx>

The recipient must send its proposal to its cognizant federal agency within six (6) months after the close of the governmental unit's fiscal year. If EPA is the cognizant federal agency, the state recipient must send its indirect cost rate proposal within six (6) months after the close of the governmental unit's fiscal year to:

##### Regular Mail

Financial Analysis and Rate Negotiation Service Center  
Office of Acquisition Management  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW, MC 3802R  
Washington, DC 20460

##### Mail Courier (e.g. FedEx, UPS, etc.)

Financial Analysis and Rate Negotiation Service Center  
Office of Acquisition Management  
US Environmental Protection Agency  
1300 Pennsylvania Avenue, NW, 6th floor  
Bid and Proposal Room Number 61107  
Washington, DC 20004

Electronic submissions of proposals may be sent via email to [OGD\\_IndirectCost@epa.gov](mailto:OGD_IndirectCost@epa.gov).

Recipients are entitled to reimbursement of indirect costs, subject to any statutory or regulatory administrative cost limitations, if they have a current rate agreement or have submitted an indirect cost rate proposal to their cognizant federal agency for review and approval. Recipients are responsible for maintaining an approved indirect cost rate throughout the life of the award. Recipients may draw down grant funds once a rate has been approved, but only for indirect costs incurred during the period specified in the rate agreement. Recipients are not entitled to indirect costs for any period in which the rate has expired.

Recipients with differences between provisional and final rates are not entitled to more than the award amount. Recipients may request EPA approval to rebudget funds from direct cost categories to the indirect cost category (to grants which have not expired or been closed out) to cover increased indirect costs.

The recipient agrees to comply with the audit requirements prescribed in OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

#### **G. Cost-Share Requirement and Maintenance of Effort**

The required minimum recipient cost share for this assistance agreement is 40% of total project costs, or Maintenance of Effort (MOE) level of \$20,515,500, whichever is greater. EPA agrees to pay up to 60% of

total eligible project costs, not to exceed the Total Approved Assistance Amount, provided that the recipient's MOE level is maintained. The assistance agreement may reflect a percentage shown under the "Notice of Award" section which is based on estimated costs requested in the recipient's application.

#### **H. Reporting of EPA In-Kind Amount**

This agreement also includes EPA in-kind services totaling \$3,000. Invoices will not be provided to the recipient for recording of actual in-kind cost, however, the total in-kind amount shall be reflected as an expenditure on the Federal Financial Report(s). If applicable, the recipient must satisfy the match requirements for the EPA in-kind amount.

### **Programmatic Conditions**

a. This award represents PARTIAL forward-funding in the amount of \$1,483,187 from Fiscal Year 2014. The remaining \$6,646,875 will be available in Fiscal Year 2015. Full funding of this assistance agreement at the estimated FY-14 amount is not guaranteed and is subject to the availability of funds. In the event that additional funding is not received, the recipient's final performance (progress) report submitted in accordance with 40 CFR 31.40 or 30.51 shall also address which work plan tasks were not accomplished as a result of the reduction in EPA funding.

b. This grant includes the performance of environmental measurements; therefore a Quality Management Plan (QMP) and Quality Assurance Project Plans (QAPPs) are required. A comprehensive Quality Assurance Project Plan (QAPP) was approved by the California Air Resources Control Board (CARB) and EPA on June 1, 1993, but updates to this plan have not been formally reviewed and approved by EPA. A QMP for CARB was conditionally approved on July 29, 2013. During FY15, CARB should address the remaining concern on its QMP and prepare the four associated QAPPs. A mutually agreed upon timeline will be established for the updating of CARB's QA documentation. The documents should be approved by CARB, the Region 9 QA Office and the Region 9 Air Quality Analysis Office. Measurement activity may proceed under the existing CARB QA documents while the revised QMP and QAPPs are being prepared.

c. The recipient shall submit mid-year and end-of-year progress reports to the EPA Project Officer. The mid-year report is due no later than 30 calendar days after the end of the 2nd Federal fiscal quarter (April 30) and the 4th Federal fiscal quarter (October 31). These reports should include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period; 2) the reasons for slippage if established outputs/outcomes were not met; and 3) additional pertinent information, including, when appropriate, analysis and formation of cost overruns or high unit costs.

d. Consistent with local, state, and federal grant procurement rules, recipient shall, when feasible, purchase environmentally preferable products/services and hold conferences/meetings using environmentally preferable measures. Environmentally preferable products/services and environmentally preferable measures include those that have a lesser or reduced effect on the environment when compared with competing products, services, or measures that serve the same purpose. This comparison may consider raw material acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service. In addition, environmentally preferable measures for conferences/meetings apply to large gatherings of ten or more persons.

END-OF-DOCUMENT